



STATE OF WASHINGTON
DEPARTMENT OF INFORMATION SERVICES

Olympia, Washington 98504-2445

August 12, 2010

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, DC 20554

RE: Ex Parte Communication on CC Docket No. 02-6 (Schools and Libraries Universal Service Support Mechanism) & GN Docket No. 09-51 A National Broadband Plan For Our Future.

Dear Ms. Dortch,

On July 27, the Department of Information Services (DIS) coordinated a meeting with Carol Matthey, Deputy Bureau Chief of the Wireline Competition Bureau and Rebekah Goodheart, Associate Bureau Chief Wireline Competition Bureau and representatives of Community Anchor Institutions at the Department of Commerce office in Seattle. During that meeting, Carol provided an overview of the FCC proceedings on the Universal Service Fund and E-rate program as well as an overview on the Rural Healthcare program.

One of the subjects discussed was the pending E-rate Broadband NPRM - CC Docket No. 02-6. Of specific interest to the State of Washington is the potential expansion of access to low-cost fiber, especially when provided by third parties that are not telecommunication carriers.

During the meeting, instances were discussed in which the State of Washington had chosen to procure fiber from ineligible entities (foregoing E-rate savings), rather than continue to procure services from eligible telecommunications providers, since the overall savings were greater than those that would have been provided by E-rate. At that time, Carol Matthey, Deputy Bureau Chief of the Wireline Competition Bureau, asked if the State could provide specific examples. Below is one such instance:

After issuing a competitive procurement for DWDM Wave transport services to serve the State's backbone network ring, contracts were awarded to Qwest for the "southern route", which connects Olympia-Vancouver-Pullman-Spokane (contract T07-TSD-057). The monthly contracted rate for a 5.0 Gbps service is \$136,416.

After these Qwest-provided services had been in place for several years, the University of Washington (UW) approached K-20 and DIS with an alternative offering: the same route, but served with a 10.0 Gbps service, for a monthly rate of \$53,000. The detailed comparison is provided below:

Provider	Gbps	MRC	\$/Gbps	e-rate discount	\$/Gbps after e-rate
Qwest	5.0	\$136,416	\$27,283	68%	\$8,731
UW	10.0	\$53,00	\$5,300	0%	\$5,300

As a result of the above analysis, it became clear that the State of Washington would be better served by partnering with the University of Washington, even without the E-rate discount, rather than to continue to utilize the Qwest-provided services. To receive twice the capacity, for less than half of the cost, was a rather simple decision.

This example should prove helpful to the FCC in reviewing the ways in which educational and governmental partnerships may bring broadband services and savings to entities throughout the country. Additionally, if these partner-provided services were eligible for E-rate discounts, the applicant would be able to receive the savings for which they qualify, and the requests made against the fund could potentially decrease significantly, as the amounts paid to vendors would decrease

Representatives of the Washington State Department of Information Services, the Office of the Superintendent of Public Instruction, and the K-20 Education Network would like to reiterate our gratitude to the FCC, for the time during our meeting of July 27, 2010 and for the ongoing efforts of the FCC to work with the applicant community when making decisions that could impact their experiences with E-rate and other USAC programs. Thank you again for your time and willingness to hear from the applicant community.

Please let me know if you have any questions.



Doug Mah
Administrator - K20 Educational Network

Cc: Carol Matthey, Deputy Bureau Chief, Wireline Competition Bureau
Rebekah Goodheart, Associate Bureau Chief, Wireline Competition Bureau